



## UNIVERSITY OF NEW YORK IN PRAGUE

**Course:** BUS330 Risk Management (6 ECTS/3 US credits)  
**Semester:** Fall 2023  
**Prerequisites:** Corporate Finance  
**Instructor:**

### 1. Course Purpose

An introductory course in Enterprise Risk Management, with a minor focus on the banking, insurance, and financial sectors. Students will be given a broad-based grounding in this increasingly important field.

This course is intended as an introduction to basic enterprise risk management concepts including internal control, risk and control of information systems, information strategy, management control systems, fraud, ethics, corporate governance, audit, financial risk, currency risk management, interest rate risk management, etc. The course will cover theory and practice using lectures, case studies, and assessments.

### 2. Required Readings

The course will use the syllabus of CIMA's P3 paper as the guiding structure for the course. Readings will come from practitioner textbooks. The materials are:

1. Video lectures from [www.opentuition.com](http://www.opentuition.com) keyed to CIMA's syllabus.
2. PowerPoint slides adapted from CIMA's syllabus for class discussion.
3. James Lam (2017). Implementing Enterprise Risk Management: From Methods to Applications ([www.perlego.com](http://www.perlego.com)).
4. John Fraser and Betty Simkins (2009). Enterprise Risk Management: Today's Leading Research and Best Practices for Tomorrow's Executives ([www.perlego.com](http://www.perlego.com)).
5. John Fraser, Betty Simkins, Kristina Narvaez (2014). Implementing Enterprise Risk Management: Case Studies and Best Practices ([www.perlego.com](http://www.perlego.com)).
6. John Hampton (2014). Fundamentals of Enterprise Risk Management ([www.perlego.com](http://www.perlego.com)).
7. Jean-Paul Louisot, Christopher H. Ketcham (). ERM - Enterprise Risk Management: Issues and Cases ([www.perlego.com](http://www.perlego.com)).
8. Michel Crouhy, Dan Galai, Robert Mark (2014). The Essentials of Risk Management, 2<sup>nd</sup> ed. (on reserve at the UNYP library).

**It is up to you to purchase this book before the class. We will be using it from the first day of class onwards.**

### 3. Additional Readings

Readings will be taken from most or all of these texts

- Aaron Brown (2015). Financial Risk Management for Dummies
- Thomas S. Coleman (2011). A Practical Guide to Risk Management
- John C. Hull (2015). Risk Management and Financial Institutions, 4<sup>th</sup> ed.

- Steven Allen (2013). Financial Risk Management: A Practitioner’s Guide to Managing Market and Credit Risk
- Don M. Chance and Robert Brooks (2010). Introduction to Derivatives and Risk Management, 8<sup>th</sup> ed.
- CIMA Professional Qualification Syllabus
- CIMA: <http://www.cimaglobal.com/Qualifications/Professional-Qualification/>
- CIMA P3 Risk Management (2016). Kaplan Publishing

The instructor also may provide case studies, and students are encouraged to keep abreast of actual risk management issues and developments by their own research and readings.

**Weekly readings will come from both the Required and Additional Readings as well as Case Studies and additional on-line readings.**

#### **4. Learning Outcomes**

Upon successful completion of this course, students should be able to:

- Demonstrate an understanding of what constitutes risk, especially in a financial context.
- Describe the basic categories and sub-categories of risk.
- Distinguish between different measures of risk.
- Demonstrate an understanding of the strengths and weaknesses of different risk measurements.
- Perform basic calculations of risk.
- Describe the latest regulatory and compliance developments and summarize the current debate on regulatory reform.

Upon completion of this course, the students should also be able to (taken from CIMA’s P3 paper on Risk Management (2015 CIMA Professional Qualification Syllabus, pp. 76-83):

- Evaluate the types of risk facing an organization and recommend appropriate responses.
- Evaluate senior management’s responsibility for the implementation of risk management strategy and internal controls.
- Evaluate the ethical impact of risk.
- Evaluate the tools and processes required for strategy implementation.
- Evaluate ethical issues facing an organization and its employees.
- Evaluate the risks associated with corporate governance.
- Evaluate control systems for organizational activities and resources.
- Evaluate risk management strategies and internal controls.
- Evaluate the purposes and process of audit in the context of internal control systems.
- Evaluate financial risks facing and organization.
- Evaluate alternative risk management tools.
- Evaluate the risks arising from changes in the environment for capital investment appraisal.

#### **5. Course Content**

Week 1:	Course overview, Risk
Week 2:	Risk Management
Week 3:	Internal Control
Week 4:	Risk and Control of Information Systems
Week 5:	Information Strategy
Week 6:	Management Control Systems
Week 7:	Mid-Term Exam

- Week 8: Review of Mid-Term. Fraud
- Week 9: Ethics
- Week 10: Corporate Governance
- Week 11: Audit
- Week 12: Financial Risk
- Week 13: Currency Risk
- Week 14: Interest Rate Risk
- Week 15: Final Exam

## 6. Course Requirements and Grading

Participation	10%
Quizzes	10%
Midterm Exam	25%
Presentation	10%
Paper	20%
Final Exam	<u>25%</u>
Total	100%

**Participation in class (10%)** — Reading the assigned readings for the class in which they are discussed is ***mandatory***, as you will be explaining the readings in class. If you do not show knowledge of the subject matter throughout each lesson, you will be marked down. Tardiness and leaving class early will result in your participation grade being marked down for that day.

**Quizzes (10%)** — Each class will have a short quiz based on the readings and discussions from the previous class.

**Midterm Exam (25%)** — The midterm will be based on the readings, discussion, and quizzes from the preceding weeks.

**Presentation (10%)** — Each person will give a short presentation based on the paper (depending on class size, this may be modified or dropped with the percentage distributed among Quizzes, Midterm exam, and Final exam).

**Paper (20%)** — Each person will write a 7- to 10-page formal report on a Risk Management case (depending on class size, this may be modified or dropped with the percentage distributed among Quizzes, Midterm exam, and Final exam).

**Final Exam (25%)** — The final will be based on the readings, discussion, and quizzes from the preceding weeks.

### Grading Scale

Letter Grade	Percent (%)	Generally Accepted Meaning	Notes
A	95-100	Outstanding work	Credits awarded
A-	90-94		
B+	87-89	Good work, distinctly above the average	
B	83-86		
B-	80-82		
C+	77-79	Acceptable Work	

C	73-76		
C-	70-72		
D+	67-69	Work that is significantly below average	Credits awarded, but will NOT transfer to ESC (retake needed for ESC!)
D	63-66		
D-	60-62		
F	0-59	Work that does not meet the minimum standards for passing the course	Credits not awarded

## 7. Key UNYP Policies

### Attendance

While attendance is not part of the grade, attendance will be recorded and any absences from class forfeit all participation points and quiz points for the class.

### Academic Honesty

- The university's rules on academic dishonesty (e.g., cheating, plagiarism, submitting false information) will be strictly enforced. Please familiarize yourself with the **student honor code** or ask your instructor for clarification.
- For examinations: copying from your neighbor, communicating with another student, using a phone or anything similar will result in you failing the test or quiz.
- On written papers, properly note your sources with academic citations. Cutting and pasting from the Internet without accurately citing the source may be considered plagiarism. Students may be required to submit papers electronically, which could mean an automated check for plagiarism via the Turnitin resource. Students may also be required to defend the content of a paper orally to an instructor as a check on authorship.
- If you have questions about any of the above, please consult with the instructor.

## 8. General Requirements

- Students are expected to attend each class session and participate in a positive way.
- Students must come to class fully prepared to discuss homework readings, projects, or cases.
- Students must turn in any homework assignments prior to the beginning of the class period on the day they are due.
- Students must leave their phones, etc., switched off and put away unless instructed otherwise.
- Students may not use laptops or notebooks in the classroom for any reason other than taking quizzes or engaging with moodle content as directed in the class session. Note-taking should be done with pen/pencil and paper. Failure to comply will cause your participation grade to be marked down.
- In the event of illness or emergency, contact your instructor **in advance** (if possible) to determine whether special arrangements are possible, as no late assignments are accepted.

## 9. European Credit Transfer and Accumulation System (ECTS)

Students who complete the course will receive 6 ECTS credits, which are the equivalent of 3 American credits. (In other words, 2 ECTS credits equal 1 American credit hour.) Further, 1 ECTS credit corresponds to 25-30 hours of work. Thus, a 6-credit ECTS course (equivalent to a 3-credit American course) will total 150-180 projected work hours.

For this course, students are expected to spend time in the following course-related activities:

Class Lectures and exams	45 hours
Reading class-related material	50 hours
Exam preparations	25 hours
Presentation preparation	15 hours
Paper preparation	30 hours
TOTAL	165 hours

#### **10. Technology Expectations**

Assignments, excluding those that are carried out exclusively in class, must be completed on a computer. Students are assumed to be familiar with the use of the Internet and, in particular, with the gathering of data from the Worldwide Web. This will be a necessary tool for carrying out some of the course assignments, i.e. long essay or class presentations.